



DONALD L. WOLFE, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE

REFER TO FILE: **PJ-2**

May 8, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
PSYCHIATRIC UNIT CONVERSION
APPROVE APPROPRIATION ADJUSTMENT
APPROVE REVISED PROJECT BUDGET
AWARD SOLE-SOURCE CONSULTANT AGREEMENTS
SPECS. 6847; C.P. 86905
SUPERVISORIAL DISTRICT 1
3 VOTES**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER AND
THE DIRECTOR OF HEALTH SERVICES THAT YOUR BOARD:**

1. Approve a revised total project budget for the Psychiatric Unit Conversion project of \$8,970,000.
2. Approve the enclosed Appropriation Adjustment by the Department of Health Services for \$2,370,000 to fund additional costs related to the Psychiatric Unit Conversion project.
3. Award and authorize the Director of Public Works to execute a Sole-Source Contract to Johnson Controls, Inc., for the design and installation of various low-voltage system modifications for a \$450,000 not-to-exceed amount.

4. Award and authorize the Director of Public Works to execute a Sole-Source Contract to Swisslog, Inc. (Swisslog), to perform design and installation of transportation systems and pneumatic tube modifications for a \$23,000 not-to-exceed amount.
5. Delegate to the Director of Public Works the authority to enter into amendments to the Contracts with JCI and Swisslog within the same limits as those prescribed in Section 2.18.030 of the County Code.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the recommended actions will provide funding and allow Public Works to award Sole-Source Vendor Agreements in preparation for the installation of tenant improvements for the Psychiatric Unit Conversion project.

BACKGROUND

As part of the settlement of the Harris-Rodde litigation, the County agreed to provide 600 beds at the LAC+USC Medical Center Replacement project and an additional 50 psychiatric beds off-site. Of the 600 beds included in the LAC+USC Medical Center Replacement project, 24 beds were designated as psychiatric beds.

On April 11, 2006, your Board approved the conversion of the 24 inpatient psychiatric beds to 24 general acute medical/surgical beds and authorized Public Works to implement this conversion in the following three phases:

1. Modify the plumbing, medical gases, and other utilities adjacent to and below the Psychiatric Unit. This work has been designed and installed for approximately \$500,000.
2. Construct the shell of the ward, leaving the interior unfinished except for life safety requirements necessary for occupancy of the remainder of the building. The design of the shell portion is completed, and Public Works is negotiating a change order with McCarthy/Clark/Hunt to implement this work.
3. Install tenant improvements within the completed shell. The design of this phase is complete. This action provides the funding and various Contracts to support the installation.

Revised Total Project Budget Estimate

On April 11, 2006, your Board approved a total project cost of \$6,600,000 for the Psychiatric Unit Conversion project. As was described at that time, this was a rough order of magnitude cost estimate prepared prior to preparing detailed plans for the work.

Plans have been completed and reviewed by the Office of Statewide Health Planning and Development. Based on these completed plans, we estimate the total project cost to now be \$8,970,000. The primary factor in the cost increase is the estimated tenant improvement cost that has increased by \$1,962,500. This is attributed to the additional scope delineated by the completion of the design package, the coordination and impact costs associated with project delivery during start-up operations for the LAC+USC Medical Center Replacement project, and the inclusion of a second manpower shift to expedite completion of the ward.

Justification for Sole Source Contracts

JCI and Swisslog are subcontractors on the LAC+USC Medical Center Replacement project. JCI is responsible for the low-voltage electrical systems, including critical nurse call/code blue, fire alarm, building automation system, and security system. Swisslog provides the pneumatic tube system and automated guided vehicle system.

These systems are proprietary. If other vendors were to modify the work that has already been installed in the hospital, it would jeopardize the warranties. The deferred approval items (fire alarm and pneumatic tube) would require significant time for both redesign and Office of Statewide Health Planning and Development review, estimated to consume five months, thereby, jeopardizing the project schedule. Additionally, operations and maintenance best practices dictate standardization within the LAC+USC Medical Center.

As a result, the contracting of JCI to perform the design and installation of the low-voltage work and Swisslog to perform the design and installation of transportation systems and pneumatic tube modifications in the Psychiatric Unit Conversion is essential to the success of the conversion as well as the future operation of the new replacement hospital.

It is requested that the Director of Public Works be authorized to enter into amendments to these Contracts, if necessary, in order to expedite completion of the work within the same limits as those prescribed in Section 2.18.030 of the County Code, which would limit the maximum amount of any single change to 10 percent of the original Contract

amount and the aggregate of all such changes would be limited to 25 percent of the original Contract.

Tenant Improvements

In addition to these Agreements, Public Works is in the process of selecting a firm for the tenant improvement portion of the Psychiatric Unit Conversion. This selection will be through a competitive, Best Value Selection (BVS) process. BVS is a process that shifts the point of competition among bidders from price to quality standards in addition to price. Under the BVS system, bidders compete strictly on the basis of technical merit, past performance and safety practices, local experience, worker training, and price, among other possible factors.

We will return to your Board to award this Contract and to award various Consultant Services Agreements needed to implement the tenant improvements.

Implementation of Strategic Plan Goal

These actions meet the County Strategic Plan Goals of Service Excellence by promoting best practices in patient care and Fiscal Responsibility by investing in the public infrastructure.

Consistency with Health Services System Redesign

The actions meet Health Services' strategic goals by improving the health care provided by Health Services and enhancing the health of the residents of the County of Los Angeles.

FISCAL IMPACT/FINANCING

The total estimated cost, including plans and specifications, plan check, construction, utility/equipment connection fees, consultant services, miscellaneous expenditures, and County services, is \$8,970,000, that is \$2,370,000 more than the previously authorized amount of \$6,600,000. Health Services is funding the increased cost from the 2006-07 LAC+USC Healthcare Network operating budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Standard Agreements, in the form previously approved by County Counsel, will be used. The standard Board-directed clauses that provide for Agreement termination,

renegotiation, and hiring qualified displaced County employees will be included in the various Contracts.

The project specifications for the tenant improvements contain provisions requiring the selected firm to report solicitations of improper consideration by County employees and allowing the County to terminate the Agreement if it is found that the contractor offered or gave improper consideration to County employees.

As required by your Board, language has been incorporated into the project specifications stating that the contractor shall notify its employees, and shall require each subcontractor to notify its employees, about Board Policy 5.135 (Safely Surrendered Baby Law) and that they may be eligible for Federal Earned Income Credit under the Federal income tax laws.

The project's specifications and Agreements also require firms to show full compliance with Los Angeles County Code Chapter 2.200 (Child Support Compliance Program) and Chapter 2.203 (Contractor Employee Jury Service Program).

To ensure that the tenant improvement work is awarded to a responsible firm with a satisfactory history of performance, bidders are required to report violations of the False Claims Act, their civil litigation history, and information regarding prior criminal convictions. The information required will be considered before making a recommendation to award.

As requested by your Board on August 12, 1997, and as a threshold requirement for consideration for Contract award, proposers for the tenant improvement work will be required to attest their willingness to consider Greater Avenues for Independence Program/General Relief Opportunity for Work participants for future employment.

ENVIRONMENTAL DOCUMENTATION

On April 11, 2006, your Board found the Psychiatric Unit Conversion project categorically exempt under the California Environmental Quality Act.

CONTRACTING PROCESS

As requested by your Board on February 3, 1998, the solicitation for the firm for the tenant improvement will be listed on the Doing Business with Us website. Participation by Community Business Enterprises (CBE) in the project is encouraged through

The Honorable Board of Supervisors
May 8, 2007
Page 6

Public Works' Capital Projects' CBE Outreach Program and by monitoring the good faith efforts of bidders to utilize CBE.

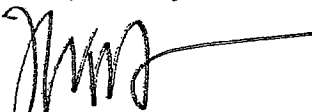
The selection of the firm, which will complete the tenant improvements, will be through a competitive BVS process. We will return to your Board to award this Contract.


JCI and Swisslog are recommended to be contracted on a sole-source basis because of the specialized nature of their work and the need to maintain continuity with the systems throughout the balance of the hospital.

CONCLUSION

Please return an adopted copy of this letter to Health Services, Chief Administrative Office (Capital Projects Division), and Public Works.

Respectfully submitted,


for DONALD L. WOLFE
Director of Public Works


DAVID E. JANSSEN
Chief Administrative Officer


BRUCE A. CHERNOF, M.D.
Director and Chief Medical Officer

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Enc.

cc: Auditor-Controller
County Counsel
Office of Affirmative Action Compliance
Department of Public Social Services (GAIN/GROW Program)
Project Advisory Committee (A. Redmond Doms, Jerry Epstein, Nick Patsaouras)

May 8, 2007

ENCLOSURE A

**LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
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I. PROJECT SCHEDULE

Project Activity	Schedule Completion Date	Revised Completion Date
Board Award Design Contract	04/06	04/06*
Construction Documents	10/06	12/06*
Jurisdictional Approvals	03/07	05/07
Award of Construction	09/07	07/07
Construction Start	11/07	08/07
Anticipated Completion of New Acute Care Unit	05/08	03/08

* Actual completion date.

II. PROJECT BUDGET SUMMARY

Budget Category	Current Board-Approved Budget	Impact of this Action	Revised Project Budget
Land Acquisition			
Construction			
Construction Change Orders			
Construction Total	\$4,187,500	\$1,962,500	\$6,150,000
Equipment (Medical, Telecommunications/Data, and FFE)	\$ 337,500	\$ 0	\$ 337,500
Architectural Services	\$ 960,000	\$ 65,000	\$1,025,000
Consultants and Vendor Services	\$ 820,000	\$ 195,000	\$1,015,000
Permits and Fees	\$ 125,000	\$ 62,500	\$ 187,500
County Services	\$ 170,000	\$ 85,000	\$ 255,000
Totals:	\$6,600,000	\$2,370,000	\$8,970,000

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. 160DEPARTMENT OF Health ServicesDATE 03/29/2007

AUDITOR CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

Fiscal Year 2006-07

3 VOTE

Please see attached for details.

JUSTIFICATION:

This appropriation adjustment is to transfer funding from the LAC+USC Medical Center operating budget to the LAC+USC Medical Center Replacement Facility Capital Project to fund a change request due to increased estimated construction, design and permitting costs for conversion of a 24-bed psychiatric unit to a 24-bed acute care unit.

EM:js
03/29/07
Efrain Muñoz, Controller
DHS-Controller's

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER
FOR:☐ ACTION☒ RECOMMENDATIONAPPROVED AS REQUESTED ☒AS REVISED ☐4/4/07
CHIEF ADMINISTRATIVE OFFICERAPPROVED (AS REVISED):
BOARD OF SUPERVISORS

AUDITOR-CONTROLLER No.

BY: [Signature]215Apr 4, 2007

BY:

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

**DEPT OF HEALTH SERVICES
APPROPRIATION ADJUSTMENT
FY 2006-07**

Dept No: 110

3 ~~FY 06-07~~
~~25 Vote~~

Sources:

LAC-USC Healthcare Network
MNA - HC - 60010 - 96 - 9912
Salaries & Employee Benefits \$2,370,000

Ent. Sub - LAC-USC Healthcare Network (General Fund Subsidy)
A01 - AC - 21200 - 21224 - 6100
Operating Transfers Out \$2,370,000

LA - Return - Psych Ward Conversion LAC-USC Replacement Facility
J17 - CP - 65038 - 86905 - 66 - 9913
Operating Transfers In - CP \$2,370,000

Total \$2,370,000

Uses:

LAC-USC Healthcare Network
MNA - HC - 60010 - 96 - 9912
Operating Subsidy \$2,370,000

Ent. Sub - LAC-USC Healthcare Network (LAC-USC Operating Subsidy)
A01 - AC - 21200 - 21224 - 6100
Operating Transfers Out \$2,370,000


LA - Return - Psych Ward Conversion LAC-USC Replacement Facility
J17 - CP - 65038 - 86905 - 66 - 9914
Buildings & Improvements \$2,370,000

Total \$2,370,000

Justification:

This appropriation adjustment is to transfer funding from the LAC-USC Medical Center operating budget to the LAC-USC Medical Center Replacement Facility Capital Project to fund a change request due to increased estimated construction, design and permitting costs for conversion of a 24-bed psychiatric unit to a 24-bed acute care unit.

EM:J
03/29/07


Brian Mutoz, Chief
DHS Controllers Division

MUSC Replacement Psych Beds Additional Axis

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